

January 19, 2004

Marlene H. Dortch, Secretary
Federal Communications Commission
445 Twelfth Street, SW
Washington, DC 20554

Re: *Notice of ex parte presentation - CC Docket No. 96-45*

Dear Ms. Dortch:

On January 18, 2004, Thomas Coates, Vice President for Development for Dobson Cellular Systems, Inc. ("Dobson"), and the undersigned, on behalf of Dobson, had separate meetings with: Commissioner Kathleen Abernathy and her senior legal advisor, Matthew Brill; Daniel Gonzalez, senior legal advisor to Commissioner Kevin Martin; and the following staff of the Wireline Competition Bureau's Telecommunications Access Policy Division: Narda Jones, Chief; Cathy Carpino, Deputy Chief; Katherine King; Thomas Buckley; and James Bachtell. Mark Ayotte of Briggs and Morgan, P.A., in Saint Paul, Minnesota, Dobson's state counsel on universal service issues, also attended the meeting with Mr. Gonzalez. In the meetings, Dobson discussed issues raised in the Commission's pending Notice of Proposed Rulemaking seeking comment on the Joint Board's recommendations related to the ETC designation process,¹ as well as those raised in the Joint Board's recent Rural High Cost Public Notice.²

In the meetings, Dobson described its history of and commitment to providing urban-quality wireless service in rural and suburban areas. Although Dobson serves markets in 16 states, the average population density of all its licensed areas is less than 50 persons per square mile. Dobson also described first-hand the challenges inherent in providing wireless service in the most rural areas, where the costs of deploying new towers or transmitters often cannot be justified by the potential volume of traffic. Dobson believes that this deployment is necessary,

¹ *Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, Notice of Proposed Rulemaking, 19 FCC Rcd 10805 (2004).

² *Federal-State Joint Board on Universal Service Seeks Comment on Certain of the Commission's Rules Relating to High-Cost Universal Service Support*, CC Docket No. 96-45, Public Notice, 19 FCC Rcd 16083 (2004).

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however, to ensure that rural consumers have access to a choice of telecommunications services that is comparable to that available to urban consumers.³

Dobson stated that it shares the Commission's concerns with the growth of the high-cost fund, but argued that further restrictions on wireless ETCs would be an ineffective and ill-advised approach to the issue. Thus, the Commission should not implement any additional restrictions on the ETC designation process in its upcoming order addressing the Joint Board's recommendations. In contrast, far better means of controlling the size of the fund are raised in the Joint Board's Rural High Cost proceeding. In particular, the Commission should resist rural ILECs' calls to move any more access revenues into USF recovery. The conversion of rural ILEC access revenues into USF has accounted for virtually all the growth in the fund over the last five years.

Dobson argued that the Commission should reform the high cost universal service support system by taking steps to determine the true cost of providing universal service support. The Commission should use a forward-looking cost model as the basis of support for all carriers, including in rural areas. Dobson believes that the Commission should develop both a rural wireline cost model and a wireless cost model. During some interim period, the Commission could base support for each type of ETC on its own cost model. In the long run, however, Dobson believes that all support should be based on the lowest-cost technology.

All of the issues raised in the meetings are discussed in greater depth in Dobson's comments on file in the above-referenced docket.

Sincerely,

WILKINSON BARKER KNAUER, LLP

By: /s/
L. Charles Keller

cc: Hon. Kathleen Abernathy
Matthew Brill
Daniel Gonzalez
Narda Jones

Cathy Carpino
Katherine King
Thomas Buckley
James Bachtell

³ See 47 U.S.C. § 254 (b)(3).